

## Message Text

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61

ACTION IO-13

INFO OCT-01 ISO-00 HEW-04 ABF-01 OMB-01 TRSE-00 CIAE-00

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ARA-06 EA-07 EUR-12 NEA-10 OES-06 OIC-02 /090 W

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R 081326Z DEC 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 4074

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION USUN NEW YORK

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DEPT ALSO PASS TO DR EHRLICH, OIH/DHEW

PASS LABOR FOR SEGALL, HOROWITZ AND QUACKENBUSH

E.O. 11652: N/A

TAGS: ILO

SUBJ: GENEVA GROUP MEETING WITH ILO ADMINISTRATION OFFICIALS

REF: A. GENEVA 9247; B. GENEVA 9310 (NOTAL); C. GENEVA 8892

SUMMARY: GENEVA GROUP (GG) MET WITH ILO DDG MCDONALD AND  
OTHER OFFICIALS TO DISCUSS PROPOSED BUDGET FOR 1978-79.

MCDONALD MADE NO STARTLING STATEMENTS, BUT DID GIVE SOME  
USEFUL INFORMATION. ACTION REQUESTED: GUIDANCE ON PROPOSED  
GG CONSULTATIVE LEVEL MEETING EARLY NEXT YEAR PER PARA 4.

END SUMMARY.

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1. U.K. CO-CHAIRMAN OPENED GG MEETING WITH ILO OFFICIALS ON DECEMBER 3 WITH REMARKS SIMILAR TO OPENING REMARKS AT NOVEMBER 16 MEETING WITH WHO BUDGET DIRECTOR FURTH. HE EXPRESSED CONCERN BY GG GOVERNMENTS OVER RISING BUDGETS ALONG THE LINES IN PAPER REFTEL C.

2. FOLLOWING OPENING REMARKS, DDG MCDONALD DISCUSSED ILO BUDGET AND ADMINISTRATIVE PLANS FOR NEXT BIENNIUM (1978-79). HIS PRESENTATION DIFFERED FROM FURTH'S (REF-TELS A AND B) IN THAT INSTEAD OF PRIMARILY DISCUSSING BUDGET FIGURES AS FURTH DID, MCDONALD PRIMARILY DISCUSSED BUDGET HISTORY, BUDGETING PROCESS, AND CHANGES IN BUDGET DOCUMENT ITSELF, WHICH HE SAID WOULD BE READY BEFORE THE END OF DECEMBER.

3. DURING QUESTIONING, MCDONALD DID GIVE SOME USEFUL INFORMATION REGARDING PROPOSED BUDGET FOR 1978-79:  
A) BUDGET INCLUDES FIVE PERCENT REAL GROWTH IN PROGRAMS, ALL OF WHICH, ACCORDING TO MCDONALD, IS DUE TO NEW RESOLUTIONS, INSTRUCTIONS, ETC. PASSED OR ISSUED BY THE WORLD EMPLOYMENT CONFERENCE, THE GOVERNING BODY, ETC. IN CONNECTION WITH THAT, MCDONALD MADE STRONG AND SOMEWHAT ELOQUENT APPEAL TO GG MEMBERS TO TRY TO IMPROVE COORDINATION WITHIN THEIR OWN GOVERNMENTS SO AS TO AVOID THE PASSING OF RESOLUTIONS CALLING FOR NEW PROGRAMS REQUIRING NEW EXPENDITURES AT PLENARY SESSIONS, FOLLOWED BY A REQUEST FOR BUDGET RESTRAINT IN GG AND OTHER FORA.

B) MCDONALD HAS PROPOSED US\$2MILLION CUT IN ADMINISTRATIVE COSTS, WHICH HE SAYS IS FIRM, SOMETHING HE WILL DELIVER. HE PROPOSED TO DO THIS BY CUTS IN SEVERAL AREAS. HE HAS, FOR EXAMPLE, ORDERED A 25 PERCENT REDUCTION IN PUBLICATIONS BY THE ILO. THIS COULD BE IMPORTANT AREA, SINCE ILO PUBLISHED 180 MILLION PIECES OF PAPER IN 1976, AN INCREASE OF 20 PERCENT OVER 1975. HE ALSO PLANS TO MAKE MORE USE OF CENTRAL COMPUTER FACILITIES, FOR EXAMPLE, TO MAINTAIN AND SEARCH FILES ON ACTIVE EMPLOYMENT CANDIDATES FOR VACANT POSITIONS.

C) ILO, WITH REGARD TO U.S. PARTICIPATION, REJECTED LIMITED OFFICIAL USE

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IDEA OF OFFERING TWO BUDGETS, ONE WITH AND ONE WITHOUT CONTINUED U.S. PARTICIPATION AFTER 1977, IN FAVOR OF FULL BUDGET ASSUMING U.S. STAYS. MCDONALD SAID, HOWEVER, THAT ILO HAS CONSIDERED, SHOULD U.S. WITHDRAW, ASKING MEMBER COUNTRIES TO PAY 65 PERCENT OF TWO YEAR OBLIGATION IN FIRST YEAR, THE REST IN SECOND, IN ORDER TO GIVE ILO TIME TO ADJUST TO OPERATING ON 25 PERCENT SMALLER BUDGET.

D) NEW BUDGET WILL PROPOSE TO INCREASE TECHNICAL COOPERATION THROUGH REGULAR PROGRAMS BY ABOUT 50 PERCENT, FROM \$6.6 MILLION IN 1976-77 TO 10 MILLION IN 1978-79.

E) ILO HOPES TO OFFER MORE DIRECT ASSISTANCE TO MEMBER COUNTRIES THROUGH MORE TRAVEL BY TECHNICAL ADVISORS AND MORE DECENTRALIZATION, AND YET TRY TO HOLD DOWN COSTS BY HOLDING MORE SYMPOSIUMS AND FEWER LARGE MEETINGS, AND DEEMPHASIZING RESEARCH IN FAVOR OF TECHNICAL ASSISTANCE PROGRAMS.

4. AFTER ILO PRESENTATION, CO-CHAIRMAN PROPOSED GG MEMBERS RAISE QUESTION OF GG CONSULTATIVE LEVEL MEETING TO BE HELD IN GENEVA EARLY NEXT YEAR TO FOLLOW UP ON CONSULTATIVE LEVEL MEETING IN NEW YORK. DATES OF 1 AND 2 MARCH WERE TENTATIVELY PROPOSED. REQUEST DEPARTMENT GUIDANCE ON DATES AND ON POSSIBLE AGENDA BEFORE GG MEETING DECEMBER 14.CATTO

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